



One NSTAR Way
Westwood, Massachusetts 02090

December 30, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Arrearage Management Programs, D.T.E. 05-86
Compliance with Chapter 140, Section 17 of the Acts of 2005

Dear Secretary Cottrell:

Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company, d/b/a NSTAR Electric and NSTAR Gas Company (together "NSTAR" or the "Company") present the following information in response to three recent requests of the Department of Telecommunications and Energy (the "Department") addressing policies aimed at assisting low-income customers with managing their energy bills. The requests, and the Company's compliance information in response to the requests, are presented below.

- **Compliance with D.T.E. 05-86**

On December 1, 2005, the Department issued an Order Opening Investigation Into Standards for Arrearage Management Programs for Low-Income Customers, D.T.E. 05-86. The order directed each gas and electric distribution company to file by December 30, 2005, an arrearage management program with the Department for its approval. The Department directed the companies to include as components of the program a minimum four-month payment option, including an initial down payment of 25 percent, and the availability of a credit toward a customer's accumulated arrearage when the customer complies with the terms of the program. Id. at 1. This requirement is in compliance with the provisions of Chapter 140, Section 17 of the Acts of 2005 (the "HEAT Law").

On December 9, 2005, NSTAR Electric presented to the Department for its approval its Arrearage Forgiveness Program (the "AFP"), in conjunction with a comprehensive rate settlement (the "Settlement") between the Company, the Attorney General, Associated Industries of Massachusetts and the Low-Income Energy Affordability Network (see Appendix A, hereto; see also NSTAR Electric/NSTAR Gas, D.T.E. 05-85 (Exhibit NSTAR-23 (Settlement))). The AFP meets each of the requirements of D.T.E. 05-86 and Section 17 of the HEAT Law. The AFP will be effective January 1, 2006, to the extent that the Department approves the Settlement. However, the provisions of the AFP as filed in the Settlement acknowledge the Department's D.T.E. 05-86 proceeding and allow the Company to modify the AFP consistent with any directives of the Department pursuant to that docket (see Appendix A, Section IV).



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- **Compliance with Other Relevant Provisions of the HEAT Law**

In addition to the requirements of the HEAT Law addressing the availability of arrearage management programs, the HEAT Law also increases the income-eligibility threshold for electric and gas distribution company low-income rates for customers that are eligible for the low-income home energy assistance program ("LIHEAP"), from 175 percent of the federal poverty level ("FPL") to 200 percent of the FPL, or higher in a program year in which maximum eligibility for LIHEAP exceeds 200 percent of the FPL (HEAT Law at Sections 11 and 12). Since the passage of the HEAT Law, the Company has complied with these provisions in full. In addition, in the context of any compliance tariff filing that may be necessary to implement the provisions of the Settlement, the Company will file compliance Rate R-2 and R-4 tariffs, as applicable, with revised eligibility clauses reflecting this change in eligibility.

The HEAT Law also requires semi-annual Information Dissemination Plans regarding the availability of programs that may allow a customer to better control their energy costs (HEAT Law at Section 23C). During 2005, the Company implemented a comprehensive customer communications program, which was presented to the Department in compliance with its order in NSTAR Gas Company, D.T.E. 05-GAF-P8 (November 15, 2005 Compliance Filing) (see also Appendix B, hereto). With energy costs still a major concern for customers, NSTAR will be re-launching its television spots in the near future. The theme of these ads is "Bringing Energy Home," and they provide important messages about NSTAR's Energy Efficiency programs. The ads will run during prominent televised events, including the Golden Globe Awards, the Rose Bowl and the People's Choice Awards, along with the morning and evening local news. The ads are also aimed at communicating the Company's commitment to its customers, and remind customers about the importance of energy in their daily lives. Moreover, NSTAR intends to comply further with the HEAT Act by instituting a semi-annual schedule for future customer communications addressing energy costs.

- **Responses to the Department's November 8, 2005 Questions Regarding Arrearage Management Programs**

In anticipation of the passage of the HEAT Law, the Department issued several questions to each of the electric and gas distribution companies regarding their existing arrearage management programs. As of November 8, 2005, prior to the filing of the AFP referenced previously, the Company had three arrearage management programs available to some of its customers: (1) the Enhanced Outreach Program ("EOP"); (2) the Leveraging Assets for Self-sufficiency through Energy Resources ("LASER") pilot program, and (3) the Residential Assistance for Families in Transition ("RAFT") program. Because the AFP is more comprehensive and larger in scope than either the EOP or LASER programs, the Company will discontinue these programs upon approval of the AFP. However, the Company will continue to offer the RAFT program, to the extent that funds remain available. Accordingly, the Company responds to the Department's November 8, 2005 questions below as they relate to the RAFT program.



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1. *Describe the arrearage management program in general.*

The goal of the RAFT program is to provide short-term, limited financial assistance which will enable families to retain housing, obtain new housing or otherwise avoid homelessness.

2. *Describe specific eligibility criteria for each component of the program. Please note whether eligibility in your plan (or any aspect of the plan) is limited to subsets of customers.*

Participants must have incomes at or below 50 percent of the area median income (as defined by the federal Housing and Urban Development agency).

3. *Are credits toward an arrearage (i.e. arrearage forgiveness) available to customers under any circumstances (for example, for compliance with a payment plan)?*

NSTAR will forgive 50% of the customer's arrearage, to a maximum of \$599, over a 36-month period for a customer that maintains a payment plan.

4. *Is the arrearage management program coordinated with low-income weatherization services, fuel assistance agencies or community action programs, or with any type of assistance offered by the company? If so, please describe.*

The program is administered by Regional Non Profit housing agencies that are required by program legislation to establish a system for referring participant families to existing community based organizations that provide other housing stabilization services.

5. *State the number of customers participating in an arrearage management program as of November 1, 2005.*

There are currently 29 customers participating in this program.

6. *Does the company evaluate the effectiveness of its arrearage management program? If data are available, please describe the effectiveness of the program.*

NSTAR monitors this program manually on a monthly basis. Because NSTAR has only recently begun enrolling customers, it is too soon to monitor the effectiveness.



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Please contact me at 781-441-8219 if you have any questions regarding the information provided herein.

Sincerely,

A handwritten signature in black ink that reads "Kerry Britland" followed by a circled "JEH" in parentheses.

Kerry Britland
Government Affairs Specialist

cc: Andrew Kaplan, General Counsel
Elizabeth Cellucci, Hearing Officer
George Yiankos, Director, Gas Division
John Cope-Flanagan, Esq.

Exhibit NSTAR-23 (Settlement)

NSTAR ARREARAGE FORGIVENESS PROGRAM

I. Mission Statement

The Arrearage Forgiveness Program ("AFP") will offer customers of Boston Edison Company ("Boston Edison"), Cambridge Electric Light Company ("Cambridge Electric"), Commonwealth Electric Company ("Commonwealth") and NSTAR Gas Company ("NSTAR Gas") (together, "NSTAR" or the "Company") budget counseling, payment plans, arrears forgiveness, energy efficiency initiatives and links to other financial grants and assistance. The AFP is a cost-effective suite of programs designed to serve customers who will benefit from a reduction in their electric and/or gas bill arrearage with the ultimate goal of having the customer independently manage bill payments more effectively.

II. AFP Description

The AFP will offer 100 percent arrearage forgiveness to NSTAR Discount Rate (for Boston Edison customers, Rate R-2, and for Cambridge Electric, Commonwealth Electric and NSTAR Gas, Rate R-2 and Rate R-4) customers of record ("Customer"), not to exceed \$599 annually. Eligible Customers will agree to a negotiated payment plan, paying the current bill amount, or an agreed-upon average monthly bill, for up to 36 months. When a Customer makes a payment on time, forgiveness credits will be made directly to the Customer's account, reducing the Customer's debt. AFP Customers will also be protected from having service shut off for non-payment. The Company agrees to develop, in cooperation with the Low-Income Energy Affordability Network ("LEAN"), a written document describing the AFP process in more detail.

III. AFP Eligibility Criteria

To be eligible, a Customer must meet the following requirements:

- the Customer must have a minimum of \$300 arrears on gas bills and/or \$100 in arrears on electric bills;
- the Customer must be in arrears for at least 60 days;
- the Customer's gas or electric service must not be shut off for nonpayment;
- the Customer must not be a landlord account (where tenants pay utilities to the landlord)
- the Customer must agree to participate in budget counseling and participate in an NSTAR Energy Efficiency program (unless such participation would not be cost-effective);
- the Customer must have not participated in the AFP within the previous 18 months, except that renegotiation of payment plans will be permitted.

IV. Implementation

NSTAR shall offer the AFP to 350 of its Customers no later than January 1, 2006, and to the remainder of its Customers in two additional phases during calendar year 2006, the first of which is to commence by May 1, 2006. The AFP will be implemented by local Community Action Agencies ("CAAs") or Community Action Programs ("CAPs"). NSTAR agrees to work with the CAAs and CAPs to provide customer intake, energy efficiency services, case management services, and budget counseling.

To the extent necessary, the Company may modify the AFP consistent with any directives of the Department of Telecommunications and Energy (the "Department") pursuant to any

Department-initiated generic proceeding governing arrearage management plans, as provided in Chapter 140 of the Acts of 2005.

V. AFP Evaluation Mechanism

The goal is to have the AFP program self-funding by re-establishing customers that would otherwise not pay. Cost recovery will be provided to the extent that the goal is not met based on the evaluation described in this paragraph. The AFP Program evaluation will net program costs from program benefits in such a way as to avoid double counting or excluding any cost or benefits. Costs are all administrative costs and customer arrearage credits less a statistical estimation of the arrearages from program participants that would have been uncollected in absence of the program. Benefits are the reduction in Company arrearage costs including collections cost, shut-off costs, cost of money, and additions to revenue that are attributable to the program. The AFP evaluation will produce a negative result, a zero result or a positive result. When the result of the AFP evaluation is positive, producing a debt to the Company, the net costs of the NSTAR AFP in excess of the benefits will be deferred with carrying costs, reconciled and recovered annually through the Company's Residential Assistance Adjustment Factors approved by the Department in D.T.E. 01-106-C/05-55. When the result of the AFP evaluation is zero, the program will be considered a success. When the result of the AFP evaluation is negative, the program will be considered an overwhelming success and will be expanded as determined by interested stakeholders.

This AFP evaluation, along with detailed customer information, will be compiled monthly by a Company AFP Manager and forwarded to LEAN and other interested stakeholders. The Company agrees to develop a written document in conjunction with LEAN and other

interested stakeholders, consistent with this evaluation formula, describing the AFP evaluation formula in more detail.

VI. Ongoing Review and Collaboration

The Company shall notify LEAN and other interested stakeholders of changes that it intends to make to the AFP, whether or not they constitute major adjustments or supplements thereto. The Company agrees to meet regularly with LEAN and other interested stakeholders in order to discuss and address issues that may arise, with the goal of reaching agreement on these issues.



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Attachment B

November 15, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Petition of NSTAR Gas Company for Review and Approval by the Department of Telecommunications and Energy of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause Filing, D.T.E. 05-GAF-P8

Dear Ms. Cottrell:

On November 1, 2005, the Department of Telecommunications and Energy (the "Department") issued an order approving NSTAR Gas Company's ("NSTAR Gas" or the "Company") 2005/2006 Peak Cost of Gas Adjustment filing (the "Order"). In that Order, the Department requested that the Company and other local distribution companies ("LDCs") pursue several consumer initiatives in an effort to communicate to customers options for lessening the effect of increases in gas commodity costs during the 2005/2006 winter heating season. D.T.E. 05-GAF-P1 to P8, at 7-8. Specifically, the Department encouraged the LDCs to implement the following recommendations:

- (1) make available to all customers the company's level billing plans,¹ whether or not customers are currently enrolled in these programs;
- (2) inform customers of applicable deadlines and procedures to apply for federal fuel assistance funds;
- (3) encourage all customers to utilize energy conservation programs offered by the company; and
- (4) extend the suspension for service shut-offs from March 15, 2006 to May 1, 2006.

Id. at 7.

In addition, the Department noted that it would review with each LDC the feasibility of including on each customer's bill a statement that provides information regarding: (a) the reason for the increase in gas costs; (b) the fact that gas costs are recovered by the company on a pass-through basis; and (c) the availability of budget billing. Id. at 8. Pursuant to the Department's

¹ Pursuant to the Department's recommendation (Order at n.5), the Company has reviewed its billing arrangements and has notified customers that it has adjusted budget billing amounts to reflect the increase in gas prices approved by the Department for the winter heating season (see Attachment B). A similar notice will be distributed to customers in January 2006 as necessary.



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recommendations, NSTAR Gas is pleased to present the Department with the attached materials ("Attachment A"), which are designed to provide to customers comprehensive information regarding options for lessening the effect of increased fuel costs.

The attached materials represent the Company's customer communications for the 2005/2006 heating season. The communications include: (1) advertising (through television, radio and print media), (2), bill inserts; (3) bill messages; (4) internet sites; and (5) direct mail. As reflected in the attached materials, the Company has been communicating with its customers since September 2005 about programs to assist in managing energy costs for the 2005/2006 Peak Season. The consumer initiatives that the Department specifically recommended are included in the materials as follows:

- **Communications Regarding Budget Billing**

The Company has communicated to customers about the availability of budget billing through bill inserts (see Attachment A at 17); bill messages (id. at 18-19) and the Company's website (id. at 23).

- **Communications Regarding Procedures for Obtaining Fuel Assistance**

The Company provided electric and gas heating customers with information about the procedures for applying for funds from the Low Income Home Energy Assistance Program through a bill insert, and intends to continue to do so at various times throughout the heating season (see Attachment A at 16, 17).

- **Communications Encouraging the Use of Energy Conservation Measures**

The Company has encouraged the use of energy conservation measures through several means, including television advertisements (see Attachment A at 2-7), billboards (id. at 9), bill inserts/envelope messages (id. at 14-15, 17, 20), the Company's website (id. at 23-24); and through direct mail (id. at 26-29).

- **Extension of Suspension for Shutting Off Service**

The Company intends to implement the Department's recommendation by extending from March 15, 2005 to May 1, 2005 the suspension period for shutting off service in the event of non-payment.

The Company has also communicated to customers the availability of its discount rate (see Attachment A at 14, 16, 18) and the "Energy Bucks" program, which provides information to customers via television, radio and print media about fuel assistance, discount rates and energy efficiency services (see id. at 11, 12, 24). Moreover, the Company's November 2005 bill message provided customers with information about gas costs and budget billing in a manner consistent with the Department's recommendations (see id. at 18).



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NSTAR Gas will continue communicating with its customers about options for managing gas costs throughout the 2005/2006 heating season and looks forward to working with the Department on these issues. Please contact me if you have any questions regarding the Company's customer communications.

Very truly yours,

A handwritten signature in cursive script that reads "Kerry Britland".

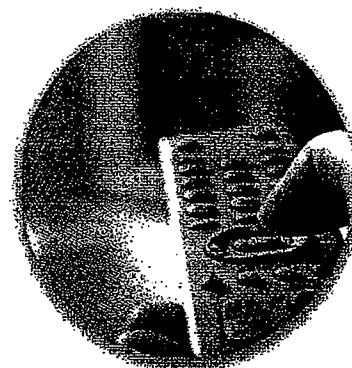
Kerry Britland
Government Affairs Specialist

Enclosure

cc: Service List
Jody Stiefel, Hearing Officer
John Cope-Flanagan, Assistant General Counsel
Karen Robinson, Director, Consumer Division
Joseph Rogers, Assistant Attorney General



CUSTOMER COMMUNICATIONS HEATING SEASON 2005



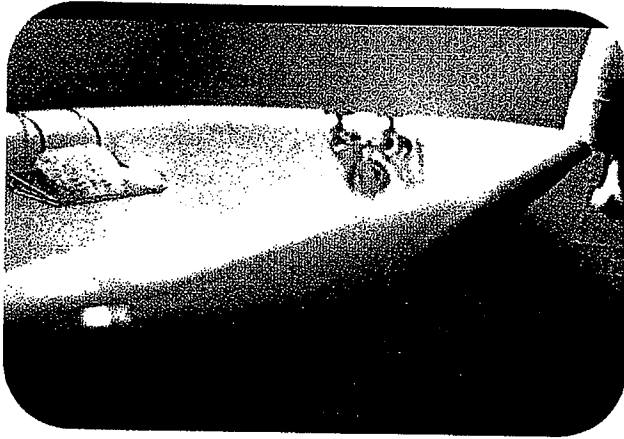
NOVEMBER, 2005

Advertising

Recognizing unprecedented high energy prices, NSTAR is working on several advertising fronts to ensure our customers are aware of beneficial programs that can help them manage energy costs. NSTAR launched a new advertising campaign in October, 2005, that communicates useful tips about energy efficiency and encourages customers to visit our web site for more information. On a related front, our Energy Efficiency Team works in close collaboration with other utilities, government agencies and advocacy groups in promoting energy efficiency and financial assistance programs.

Advertising included here has occurred during the fall, with some components continuing through the heating season.

NSTAR TV Spots



1. "Tub"

This isn't just a faucet. It's warm feet after eight hours in ski boots. It's a book by candlelight. Twenty minutes with your kids before bedtime. Your water heater warms much more than water. That's why NSTAR reminds you that small actions around the house—like lowering your water heater to 120 degrees—can keep them warm, and save you money. NSTAR. Bringing energy home.

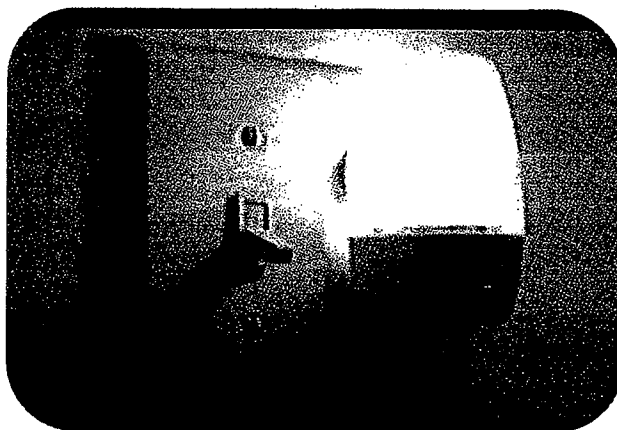
NSTAR TV Spots



2. "Porch Light"

This isn't just a porch light. It's stadium lights for a ball game at dusk. It's a hint that dinner's ready. The first sign of home after a 12-hour day. Having lights to come home to—lights to live by—matters. That's why NSTAR offers customers energy efficiency programs and rebates at nstaronline.com. Simple ways to manage costs and save money. NSTAR. Bringing energy home.

NSTAR TV Spots



3. "Night Light"

This isn't just a night light. It's a drink of water. Protection from the monster under the bed. One last light on the long journey home. Even the smallest lights are important lights. That's why NSTAR offers customers energy efficiency programs and rebates at nstaronline.com. Simple ways to manage costs and save money. NSTAR. Bringing energy home.

NSTAR WBZ-TV (Channel 4) Energy Tips

1. Announcer:

Here's an easy way to help you save energy and money. Remember to weatherize your home by caulking and weather stripping all doors and windows. Also, be sure to lock your windows to make them draft resistant. NSTAR. Bringing energy home.

2. Announcer:

Here's an easy way to help you save energy and money this winter. Remember to keep your curtains open during the day on the south side of your house to allow solar heat in. Close them at night to retain the heat. NSTAR. Bringing energy home.

3. Announcer:

Here's an easy way to help you save energy and money. Why not replace five frequently used lights in your home with energy efficient bulbs? You'll save up to 60 dollars a year. For more ways to manage energy costs and save money, visit nstaronline.com. NSTAR. Bringing energy home.

NSTAR NECN Energy Tips

1. Announcer:

Did you know that every degree you lower your thermostat saves you about 2 percent off your heating bill? For more ways to manage energy costs and save money visit nstaronline.com.

2. Announcer:

Do you really need that second refrigerator? Turning it off can save you up to 15 dollars a month. For more ways to manage energy costs and money visit nstaronline.com.

3. Announcer:

Want lower energy bills? Log on to nstaronline.com and click on home energy analyzer to help you better manage your energy costs.

4. Announcer:

Why not replace five frequently used lights in your home with energy efficient bulbs? You'll save up to 60 dollars a year. For more ways to manage energy costs and save money visit nstaronline.com

NSTAR WCVB-TV (Channel 5) Energy Tips

1. Announcer:

Here's an easy way to help save energy and money. Remember to weatherize your home by caulking and weather stripping doors and windows. Also be sure to lock your windows so they're draft resistant.

2. Announcer:

Here's an easy way to help you save energy and money this winter. Keep your curtains open during the day on the south side of your home to allow solar heating. Close them at night to retain the heat.

3. Announcer:

Here's an easy way to help you save energy and money. Set your thermostat no higher than 68 degrees when you're home and lower the temperature when you leave or go to bed. This will ensure optimal home heating.

4. Announcer:

Here's an easy way to help you save energy and money. Cover through-the-wall air conditioners to prevent cold air from leaking into your home. And be sure to close fire place dampers when not in use.

Discount Rate Print Ad

Spanish

¿NECESITA AYUDA PARA PAGAR LA CUENTA DE GAS O ELECTRICIDAD?

NSTAR PUEDE AYUDARLE.

Sabemos que a veces pagar las cuentas puede resultar difícil. Es por eso que NSTAR está para ayudarle. Si usted recibe beneficios del gobierno con comprobación de ingresos puede calificar para un descuento en su cuenta de gas o electricidad. También brindamos planes de pago y excelentes programas de eficiencia energética para ayudarle a ahorrar dinero. Para obtener más información, llame al 1-800-592-2000 o visítenos en www.nstaronline.com.



Committed to serving you well

English

NEED HELP WITH YOUR ELECTRIC OR GAS BILL?

NSTAR CAN HELP.

We know, at times, paying bills can be tough. That's why NSTAR is here to help. If you receive means-tested government benefits, you may qualify for a discount on your electric or gas bill. We also offer payment plans and some great Energy Efficiency programs to help you save money. For more information, call 1-800-592-2000 or visit us at www.nstaronline.com.



Committed to serving you well

Portuguese

PRECISA DE AJUDA COM A SUA CONTA DE ELECTRICIDADE OU GÁS?

A NSTAR PODE AJUDAR.

Sabemos que, às vezes, não é fácil pagar as contas. É por isso que a NSTAR está aqui para ajudar. Se receber benefícios oficiais comprovados, pode habilitar-se a um desconto na sua conta de electricidade ou gás. Disponibilizamos ainda planos de pagamento e alguns excelentes programas de poupança de energia que o ajudarão a poupar dinheiro. Para mais informações, ligue para o 1-800-592-2000 ou visitemos em www.nstaronline.com.



Committed to serving you well

Energy Star Billboard Ad



Choose the right light
and make the future
brighter.



Take the ENERGY STAR® Change a Light Pledge.

If every household in Massachusetts changed just one light to an ENERGY STAR qualified one, savings would total more than \$16.5 million in energy costs each year.

Visit www.myenergystar.com to take the ENERGY STAR Change a Light Pledge and to discover all the ways you can save on ENERGY STAR qualified products.

Join the thousands of Americans who are creating a brighter future one light at a time.

nationalgrid **ANSTAR**
ELECTRIC

are proud to support the national ENERGY STAR Change a Light, Change the World campaign



Gas Heating



**Fall Forecast:
Cool, crisp days.
Warm, cozy nights.**

**For reliable cold-weather comfort,
convert to gas heat now—and SAVE.**

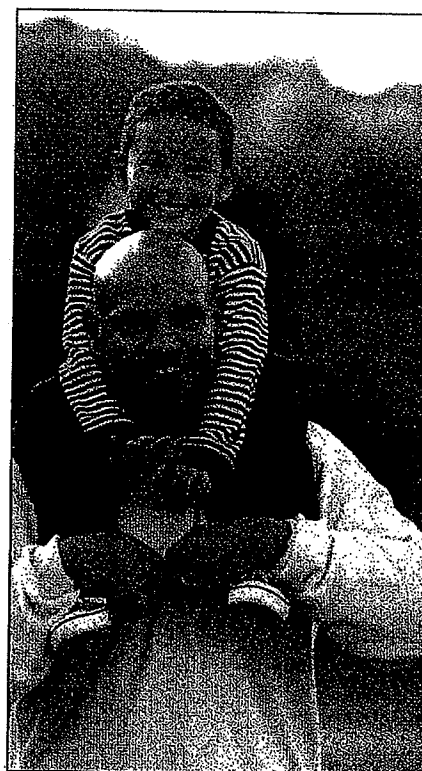
Act now to save with these limited-time offers from NSTAR:

- \$500 off new heating equipment when you convert to gas heat (while supplies last)
- \$199 oil tank removal and chimney cleaning
- Up to \$500 in rebates on high-efficiency equipment
- Free ENERGY STAR® programmable thermostat

Call NSTAR at 1-866-678-2744.



This offer available on equipment purchased from and installed by NSTAR. Gas meter must be in fact of premises. Other restrictions apply. Offer ends April 1, 2006.



**Previsão para este Outono:
Dias frescos, muitos arrepios.
Noites quentes e acolhedoras.**

**Para desfrutar de todo o conforto nos
dias frios, mude para o aquecimento a
gás hoje mesmo—e POUPE.**

Decida-se já e poupe com as ofertas por tempo limitado da NSTAR:

- \$500 (dólares) de desconto em equipamentos novos quando mudar para o aquecimento a gás (enquanto houver em stock)
- \$199 (dólares) pela remoção do depósito de óleo e limpeza da chaminé
- Até \$500 (dólares) de redução para equipamentos de alta eficiência
- Termóstato programável ENERGY STAR gratuito

**Ligue para a NSTAR através
do telefone 1-866-678-2744**



Esta oferta aplica-se a equipamentos vendidos e instalados pela NSTAR. A ligação principal a gás tem de estar localizada em frente ao edifício. Aplica-se outras restrições. Oferta válida até 1 de Abril de 2006.



Energy Bucks Ad

Fuel assistance •
Utility discount rates •
Energy efficiency services •

Energy \$ Bucks

**Energy Bucks can help you save up
to 30% or more on your energy bills.**


But there's a catch.



You have to really need it.

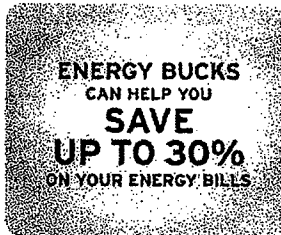
Sponsored by Massachusetts utility companies, Energy Bucks is a program that could reduce the amount you pay for energy this winter by nearly a third or more. There's just one stipulation - you have to be income eligible to participate. A family of four can qualify if their income is below \$900 a week.

CALL TOLL-FREE 1-866-LESS-COST OR VISIT www.energybucks.com

Energy Bucks is sponsored jointly by: 

Energy Bucks TV

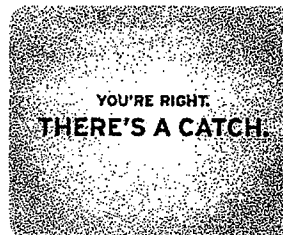
Television :30 "Catch"



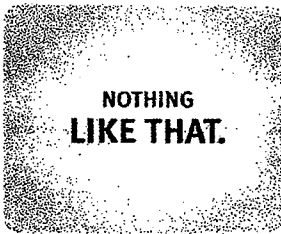
OPEN ON ANIMATED TYPE
HIGH-ENERGY MUSIC UNDERNEATH
THROUGHOUT



CUT TO EDGY WOMAN WITH AN ATTITUDE
WOMAN: Yeah, right. There's got to be a



WOMAN: So what do I have to do - buy a
new furnace?



SUPER



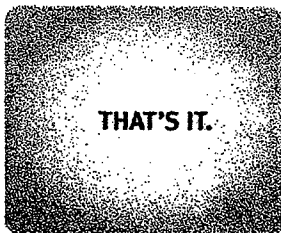
WOMAN What, then. Get 50 friends to
sign up?



SUPER



WOMAN That's it?



SUPER



ANNCR: Energy Bucks is for low-income
Massachusetts residents.
Find out if you qualify.

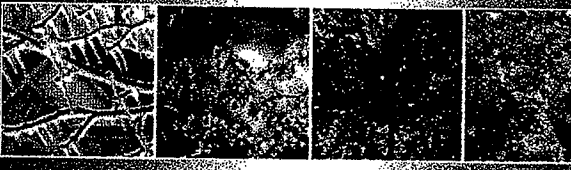


WOMAN: You're growing on me.

Bill Communications

NSTAR maximizes communication opportunities associated with its customers' bills. Throughout the year NSTAR uses bill inserts, bill messages, envelopes and the back-of-the-bill to communicate important customer offerings. Included in this section are samples of these communications from September 2005 through December 2005. Similar messages included here will continue through heating season.

Saving you money every season...



Bay State Gas Company • Berkshire Gas Company • Cape Light Compact
Keystone Energy Delivery • National Grid • New England Gas Company
NSTAR • Unitil • Western Massachusetts Electric Company

1-866-527-7283 • www.masssave.com

MassSAVE
Home Energy Solutions

...by reducing energy costs through home energy solutions!

MassSAVE Program Benefits:

- Rebates on energy-efficiency measures
- Ongoing energy savings
- Improved indoor comfort year-round
- Promotes a healthier environment

Act NOW – It's Easy!

Call: 1-866-527-7283 • Visit: www.masssave.com



MassSAVE is brought to you by participating gas and electric utilities and energy efficiency service providers. Some restrictions may apply; program guidelines subject to change. Woodbury is the National Construction Service Program, funded and operated according to state law and under regulations of the Massachusetts Department of Environmental Protection and Energy, and the Massachusetts Department of Energy Services.

In Focus

Energy Use Now & Then

From hip television shows to *Mad Men*, as a culture today it seems we're identifying more with the 1970's. We thought it would be fun to give you an idea of how your energy use has changed since the 70's. The TV room of the 70's has given way to today's multimedia room complete with big screen TV, surround sound, computers, monitors, printers, scanners and faxes. Research shows that energy use in the average house has certainly grown compared to the 70's. In fact The Edison Electric Institute estimates the average New England home now uses 200 kWh per month more than they did in the 70's — enough to power roughly six computers.

Here's an overall look at how the energy needs of a typical home have changed.

The 70's House

Kitchen

Living Area

Bedroom

Around the House

Today's House

Kitchen

Living Area

Bedroom

Around the House

Now and into the future, NSTAR is always working hard to meet your energy needs and save you money. We're working to manage the costs associated with delivering that energy to you. In fact, we have not raised our charge for Delivery Services dramatically in over 10 years. And we have a whole host of Energy Efficiency Programs that can help you save money on your bill. Rest assured, just as we helped meet your energy needs of the 1970's, we're here to help you meet your energy needs today and into the future.

See It - Report It

See it - Report it - NSTAR Electric or 1-800-592-2000.

Automatic Matching for NSTAR's Discount Rate

Starting in December 2004, the Massachusetts Department of Telecommunications will... NSTAR will make it as easy as possible for customers to... NSTAR will make it as easy as possible for customers to...

Fall & Winter Energy Tips to Save You Money

With the fall and winter months coming up, the following tips will save you energy and help your budget too!

- Set your thermostat no higher than 68 degrees when you are home and lower the temperature when you go to bed or when you are not at home. This will ensure optimal home heating and save energy.
- Weatherize your home by sealing and weather-stripping all doors and windows. Also use seals on your windows to make them tighter and draft resistant.
- Insulate or increase the amount of insulation in your attic, basements and outside walls. Also cover through-the-wall air conditioners to prevent cold air from leaking into your home.
- Keep shades and curtains open during the day on the south side of your home to allow solar heating. Close them at night to retain heat.
- Don't block your radiators or heating vents with furniture or draperies. Keep your radiators, registers and baseboard heaters dust and dirt free.
- Have your heating system serviced once a year and regularly replace furnace filters.
- Use ENERGY STAR-labeled lighting for outdoor fixtures and other lights. Turn off for more than two hours.
- Close the refrigerator doors when not in use.

For more energy saving tips, visit www.nstaronline.com.

Did You Know?

Did you know that... Did you know that... Did you know that...

NSTAR
Electric

In Focus

October 2005



Save Energy and Money

With the winter heating season approaching, there are a number of ways NSTAR can help manage your energy costs and save you money.

Energy Education

NSTAR's online **Home Analyzer** and **Energy Savings Calculators** can compare your home's energy use to other similar homes and provide tips on operating your home and appliances more efficiently. Both tools are available on the front of our web site - www.nstaronline.com

We're Working to Save You Money

NSTAR offers a number of **Energy Efficiency** programs for our gas customers. These programs are designed to save on your energy bill each month while also helping the environment.

One such program is **MassSAVE**. An Energy Efficiency Specialist will answer your energy-saving questions and may also determine you're eligible for a Home Energy Assessment. Call **800-632-8300** or visit www.masssave.com for more information.

Rebates

NSTAR also has rebates available toward the purchase of programmable thermostats, home heating equipment, water heaters, window replacement and more. Visit www.nstaronline.com for more information on the programs and eligibility requirements.



Your Gas Bill and World Energy Markets

You are probably wondering what role world energy markets play in the cost of natural gas that NSTAR delivers to your home.

NSTAR purchases natural gas for our customers. Our first priority is to make sure we get the best possible price. You should also know that NSTAR makes no profit on the natural gas we purchase on our customers' behalf.

As you have most likely seen in the headlines, unrest overseas and recent hurricanes in the South have contributed to record high natural gas pricing. These issues will most likely affect your gas bill as we enter the colder months.

Please know that at NSTAR, we are always working on ways to help our customers save energy and money.

Save Energy and Money

Financial Assistance

Customers also have a number of other options. **Payment Plans** allow customers to spread out the overdue portion of their bill. You can even setup a Payment Plan quickly and easily online.

Customers who receive certain government means-tested benefits might also be eligible for **NSTAR's Discount Rate**. Eligibility guidelines and an application are available at www.nstaronline.com

Proud to Support Salvation Army

NSTAR also participates in a number of Financial Assistance Programs. The Salvation Army's **Good Neighbor Energy Fund** can help customers pay their heating bills, especially if they face a financial crisis and aren't eligible for other forms of fuel assistance. The Salvation Army can be reached at 800-334-3047 for more information.

Customers with gross income below 200 percent of the federal poverty income guidelines might also qualify for assistance toward their utility bills. To apply or for more information, contact a Community Action program near you, you can also visit www.energyhelpusa.com or call 866-537-7267.

Did You Know?



Choose Your Own Way to Pay

NSTAR has a number of great payment options to suit your needs. These include:

• **Direct Pay** - Automatically charges your bank account about 10 days after you receive your bill. Pre-enrollment is required.

• **Pay by Phone** - Use our toll-free automated 800 number to charge your bank account.

• **Credit Card Payments** - Visit www.autotell.com or call 800-566-2656 to pay your bill with a MasterCard or Visa. Please note, there is a convenience fee for both of these services, and automatic recurring payments to credit cards is not available.

• **Western Union** - Pay your bill in person at Western Union locations throughout NSTAR's service territory. Visit www.westernunion.com for more information, including locations near you.

For more information about payment options, or to enroll in Direct Pay, visit www.nstaronline.com.



Visit www.nstaronline.com for great money saving tips, information and tools including:

- ▲ Our Home Analyzer (available in English and Spanish), comparing your home to others like it and providing detailed information on ways to save money.
- ▲ NSTAR's Energy Savings Calculators, detailing the energy use by specific appliances in your home and how much you can save by switching to an energy efficient model.
- ▲ Great fall and winter energy saving tips.
- ▲ Electric and Gas Energy Efficiency programs. Rebates are available on everything from lighting, appliances, as well as heating and hot water equipment.
- ▲ MassSAVE Energy Efficiency specialists will answer your questions and may be able to help cut your energy use via a visit to your home.



In Focus

December 2005

Save Energy and Money

With the winter season upon us, NSTAR is here to help you save energy and money.

Energy Education

NSTAR's Home Energy Analyzer and Energy Savings Calculators can help you determine energy usage, identify energy-saving opportunities, and provide tips on how to save energy and money. Visit www.nstaronline.com for more information.

Helping Working Families Save Money

NSTAR offers a number of energy efficiency programs to help working families save money on their energy bills. Visit www.nstaronline.com for more information.

Budget Billing

With NSTAR's Budget Billing program, you can pay a fixed amount each month for your energy bills. This helps you budget your energy costs and avoid surprise bills. Visit www.nstaronline.com for more information.

Did You Know?

Did you know that NSTAR's Home Energy Analyzer can help you save up to \$100 a year on your energy bills? Visit www.nstaronline.com for more information.

In Focus

December 2005

Save Energy and Money

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Did You Know?

Did you know that NSTAR's Home Energy Analyzer can help you save up to \$100 a year on your energy bills? Visit www.nstaronline.com for more information.

In Focus

December 2005

Important Information About Gas Pipes

NSTAR's Home Energy Analyzer and Energy Savings Calculators can help you determine energy usage, identify energy-saving opportunities, and provide tips on how to save energy and money. Visit www.nstaronline.com for more information.

Save Money With a Gas High-Efficiency Heating System

NSTAR's Home Energy Analyzer and Energy Savings Calculators can help you determine energy usage, identify energy-saving opportunities, and provide tips on how to save energy and money. Visit www.nstaronline.com for more information.

Did You Know?

Did you know that NSTAR's Home Energy Analyzer can help you save up to \$100 a year on your energy bills? Visit www.nstaronline.com for more information.

In Focus

December 2005

Budget Billing and Other Ways NSTAR Is Here to Help

NSTAR offers a number of energy efficiency programs to help working families save money on their energy bills. Visit www.nstaronline.com for more information.

Did You Know?

Did you know that NSTAR's Home Energy Analyzer can help you save up to \$100 a year on your energy bills? Visit www.nstaronline.com for more information.

Bill Messages

September, 2005

DUE TO RISING WORLD ENERGY COSTS, BEGINNING SEPTEMBER 1 YOUR COST OF GAS INCREASED FROM \$0.7501 PER THERM TO \$1.2232 PER THERM. IF YOUR BILL CONTAINS ANY GAS USAGE PRIOR TO SEPTEMBER 1, YOUR COST OF GAS WILL REFLECT PRICING FROM BOTH PERIODS.

LOOKING TO BALANCE YOUR MONTHLY BILL? LEARN MORE ABOUT BUDGET BILLING BY VISITING NSTARONLINE.COM OR CALLING 800-592-2000.

October, 2005

AT NSTAR, WE'RE HERE TO HELP YOU MANAGE YOUR ENERGY COSTS. THAT'S WHY NSTAR OFFERS OUR DISCOUNT RATE TO CUSTOMERS WHO RECEIVE CERTAIN GOVERNMENT MEANS-TESTED BENEFITS SUCH AS TRANSITIONAL ASSISTANCE, OR WHO QUALIFY FOR FUEL ASSISTANCE. MORE INFORMATION ABOUT ELIGIBILITY, AS WELL HAS HOW TO APPLY FOR OUR DISCOUNT RATE, IS AVAILABLE ON NSTARONLINE.COM OR BY CALLING 800-592-2000.

November, 2005

* DUE TO RISING WORLD ENERGY COSTS, BEGINNING NOVEMBER 1 YOUR COST OF GAS INCREASED FROM \$1.2232 PER THERM TO \$1.4570 PER THERM. IF YOUR BILL CONTAINS ANY GAS USAGE PRIOR TO NOVEMBER 1, YOUR COST OF GAS WILL REFLECT PRICING FROM BOTH PERIODS. THE COST OF GAS IS A STRAIGHT PASS THROUGH THAT NSTAR MAKES NO PROFIT ON.

* LOOKING TO BALANCE YOUR MONTHLY BILL? LEARN MORE ABOUT BUDGET BILLING BY VISITING NSTARONLINE.COM OR CALLING 800-592-2000.

December, 2005

NEW BASIC SERVICE PRICING WILL TAKE EFFECT ON JANUARY 1, 2006. NEW PRICES ARE POSTED ON WWW.NSTARONLINE.COM AND ALSO AVAILABLE ON OUR AUTOMATED LINE: 888-627-7477. BASIC SERVICE PRICING OPTIONS ARE DESCRIBED ON THE BACK OF THIS BILL.

LOOKING TO BALANCE YOUR MONTHLY BILL? LEARN MORE ABOUT BUDGET BILLING BY VISITING NSTARONLINE.COM OR CALLING 800-592-2000.

Customer Back of Bill

本通知很重要，請務必讀及中文。

Electric Billing Terms and Definitions

Customer Charge - The price of providing service, including the cost of the service, the cost of the service, and the cost of the service.

Demand Charge - A charge applied to the highest recorded use of electricity during the month.

Distribution Charge - Cost of delivering electricity over wires to a customer's premises.

Energy Conservation Charge - Charge for the cost of energy conservation programs.

Generation Charge - Cost of producing electricity, including the cost of the fuel, the cost of the labor, and the cost of the capital.

Kilowatt (kW) - Unit of measurement used to calculate demand.

Kilowatt-hour (kWh) - Standard unit of measurement for electricity use.

Rate Minimum - Minimum monthly charge for service.

Renewable Energy Charge - Charge for the cost of renewable energy.

Transmission Charge - Cost of electricity transmission, including the cost of the fuel, the cost of the labor, and the cost of the capital.

Gas Billing Terms and Definitions

Btu Factor - The number of British Thermal Units (Btu) in a cubic foot of gas.

Customer Charge - The price of providing service, including the cost of the service, the cost of the service, and the cost of the service.

Cost of Gas - The cost of the gas, including the cost of the fuel, the cost of the labor, and the cost of the capital.

Distribution Charge - Cost of delivering gas over pipes to a customer's premises.

Therm Factor - The number of therms in a cubic foot of gas.

Actual Read - Meter reading obtained by NSTAR. **Customer Read** - Meter reading provided by the customer. **Estimated Read** - Meter reading estimated by NSTAR.

Copies of all rate schedules are available upon request. Service is subject to the company's terms and conditions. We reserve the right to convert customer checks to electronic format and to provide retained ACH debit requests electronically.

Billing Questions and Dispute Resolution

Contact NSTAR by calling our customer service number
800-592-2000

Tech Center 800-340-9822 for Business Customers

Or you may write to us at one of the following addresses:

NSTAR Electric & Gas
Customer Care
One NSTAR Way, SW200
Westwood, MA 02090

<http://www.nstaronline.com>

Please include an explanation of your inquiry and a phone number where we can reach you between 9:00 a.m. and 5:00 p.m. Please include your home phone number as well. We will thoroughly research your inquiry and promptly report the results back to you.

If you are not satisfied with our investigation or the payment plan we offered on the overdue portion of your bill, you may appeal by writing to the Department of Telecommunications and Energy (DTE), Consumer Division, One South Station, Boston, MA 02110, or by calling 800-392-6066 (Massachusetts only) or 617-305-3531. The DTE's web site address is www.mass.gov/dte.

If you have a question about the Supplier section of your bill and your supplier is not NSTAR, please contact your supplier directly.

Basic Service

Basic Service refers to market-based prices for electricity we purchase for customers who do not have a competitive supplier. NSTAR does not make any profit on these costs. Basic Service has two pricing options. **Basic Fixed** has a fixed price for up to six months. **Basic Variable** price changes monthly.

Payment Plans

NSTAR offers a variety of payment plans for residential customers with overdue bills. Please contact us for more information.

Important Information for Residential Customers

You are protected by important consumer laws. Your service cannot be shut off, or will be restored, if you certify to the company that you are unable to pay any overdue bill because of financial hardship and

- Someone living in your home is seriously ill; or
- A child under 12 months old lives in your home; or
- Between November 15 and March 15 your service provides heat or operates the heating system and your service was not shut off for non-payment before November 15.

Please call 800-592-2000 to receive more information about the residential protections listed above.

Protection for Residential Customers 65 and Older

If you and everyone living in your home are 65 years old or older and you have overdue NSTAR bills, NSTAR will not shut off your service without an investigation by the Department of Telecommunications and Energy. Please contact NSTAR to apply for this protection.

Convenient Service Options

Direct Payment: Have the amount due on your bill automatically deducted from your bank account each month.

Pay By Phone: Pay your bill by calling us each month with the amount you would like to pay and we'll automatically deduct it from your bank account.

Pay Online: NSTAR Customers can pay their bill online at www.mycheckfree.com.

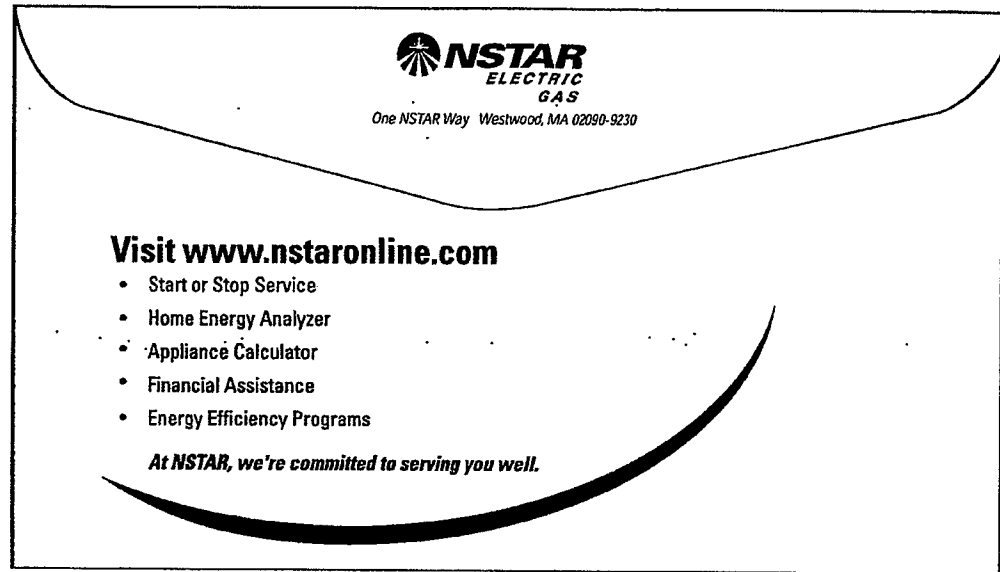
Budget Billing: Arrange for equal monthly payments based upon your annual usage.

Hearing-impaired Line: Contact us at 800-322-6242 for special service for our hearing-impaired customers.

References in this bill to NSTAR Electric shall mean Boston Edison Company, unless the context clearly indicates otherwise. Commonwealth Electric Company may also serve NSTAR Electric customers.

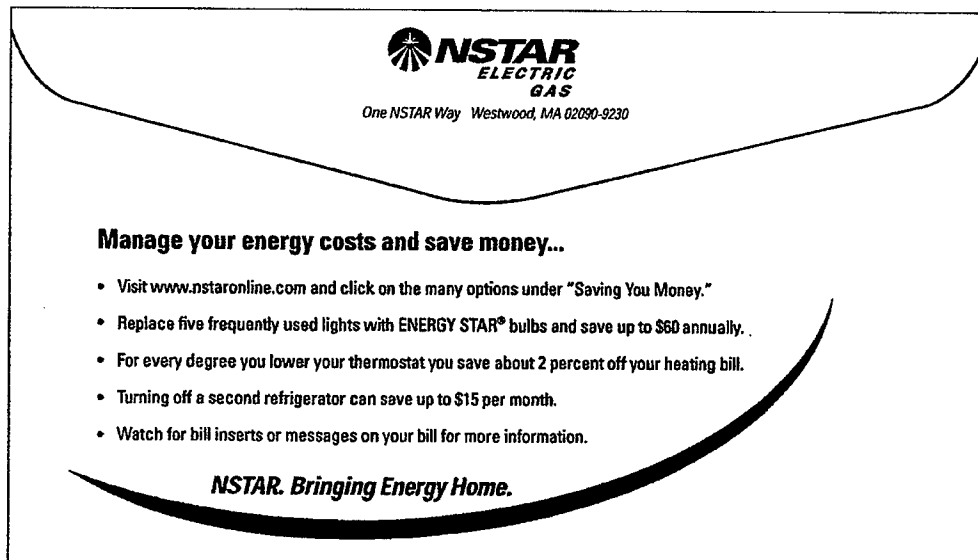
Customer Bill Envelope

Aug. 2005 - Dec. 2005

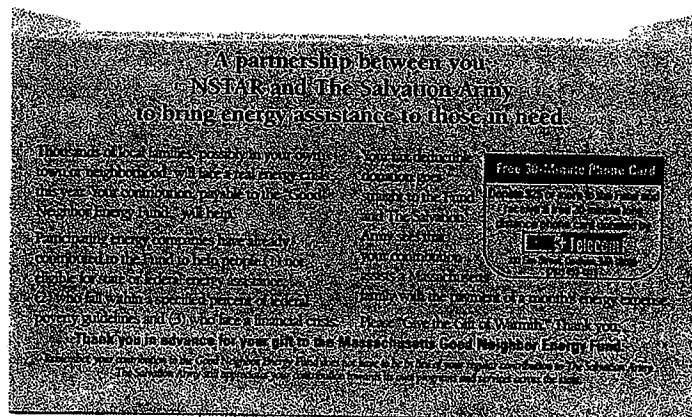


Customer Bill Envelope

Dec. 2005 - Mar. 2006



Good Neighbor Energy Fund Envelope



Online Information

Our web site, and the web sites established in conjunction with our Energy Efficiency programs, includes in-depth information about our Energy Efficiency program offerings, Discount Rate details, Budget Billing, Financial Assistance and critical links to related web sites. Budget Billing, Financial Assistance, interactive energy efficiency tools such as our Home Energy Analyzer and Appliance Calculators, Energy Efficiency programs, tips and factoids all take front page priority on our site. Furthermore, most promotional materials created by NSTAR include our web site address (www.nstaronline.com).

www.nstaronline.com

NSTAR

HOME ABOUT NSTAR CUSTOMER SERVICE YOUR BUSINESS NEWS INVESTOR RELATIONS FAQ CONTACTS

Saving You Money
Here's some useful info to help you save money and energy.

Ways to Pay Your Bill
Convenient ways to pay your current or past due balances.

Account Service
Moving? Being Outdoors? View your bill

Gas Heating Programs
Enjoy the many benefits of natural gas.

TV Spots

Energy Saving Factoids

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www.energystar.gov

ENERGY STAR

Home ENERGY STAR What is ENERGY STAR? Newsroom Search Go

PROTECT OUR ENVIRONMENT FOR FUTURE GENERATIONS
ENERGY STAR is a government-backed program helping businesses and individuals protect the environment through superior energy efficiency. [Learn more...](#)

PRODUCTS
Appliances, Lighting, Heating and Cooling & more
[Find a Store](#)
[Special Offers](#)

HOME IMPROVEMENT
Solutions to common problems
[Home Energy Analysis](#)
[Home Sealing](#)

NEW HOMES
Make your next home ENERGY STAR
[Find Local Homebuilders](#)

BUSINESS IMPROVEMENT
Reduce building and facility energy use in your organization
[Guidelines for Energy Management](#)
[Find Labeled Buildings](#)
[Education](#) [Government](#)

PARTNER RESOURCES
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[For Utilities/Energy Program Managers](#)
[For Home Builders, Lenders, Sales](#)
[For Energy Service & Product Providers](#)
[ENERGY STAR Partner Log](#)

ENERGY STAR NEWS
[EPA Releases 14 Leading Organizations Save Energy this Winter with help from ENERGY STAR](#)
[EPA and DOE Announce ENERGY STAR Chooses a Light Day](#)
[A 12 Month, Save the ENERGY STAR Challenge](#)
[EPA Releases 100 Top New Homes to Earn the ENERGY STAR](#)
[ENERGY STAR Annual Report Released](#)
[2004 ENERGY STAR Award Applications Available Now](#)

DO YOUR PART
[ENERGY STAR Chooses a Light Day. Take the Pledge](#)
[Save energy this winter with help from ENERGY STAR](#)

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www.energybucks.com

Energy Bucks Site

For the media ▶

Energy **\$** Bucks

Español Portuguese

Welcome to Energy Bucks

Discover three ways to save on your energy costs - fuel assistance, utility discount rates and energy efficiency services

Apply early and start saving! ▶

What is Energy Bucks? Do I qualify? How do I apply? Who are the sponsors? to learn Other Savings programs

www.masssave.com

MassSAVE

NOVEMBER 8, 2005

MassSAVE

About MassSAVE Residential Customers Contractors and Service Providers Links and Related Information

MassSAVE is a public/private partnership that was created to help Massachusetts residents save money through energy conservation.

Energy Saving Tips

Start saving money with energy efficiency improvements that you can do yourself!

No-Cost Home Energy Assessment

Receive a free professional energy audit with specific recommendations that will save you money!

ENERGY SAVING TIPS

LEARN MORE ▶

NO-COST HOME ENERGY ASSESSMENT

LEARN MORE ▶

ENERGY SAVING TIPS

LEARN MORE ▶

NO-COST HOME ENERGY ASSESSMENT

LEARN MORE ▶

A BRIEF HISTORY

MassSAVE is the new name for the Massachusetts Residential Conservation Services Program, which has been available since 1986. The program underwent a major makeover in 2001 and today provides energy information and resources to all Massachusetts residential energy users.

IN THEIR WORDS

"[Our representative] was most professional and a pleasure to work with."

ENERGY FACTS

ENERGY STAR® qualified appliances use 10% to 50% less energy and water than standard models.

LEARN MORE FACTS ▶

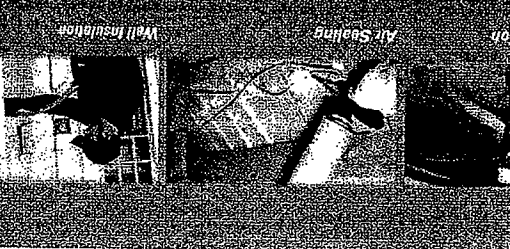
Home | Contact MassSAVE | Terms & Conditions | Privacy | About This Site

Get started today by calling 1-866-527-7283

Direct Mail

As an added communications channel, NSTAR and its Energy Efficiency Partners utilize U.S. Mail to send messages directly to customers. This communications vehicle provides a unique opportunity to target segment audiences of our customer base. *Energy Trends* is a bi-annual newsletter mailed to 25,000 mid-sized business customers in November 2005. Other mailers included in this section were sent to residential customers' homes during the October and November timeframe.

27



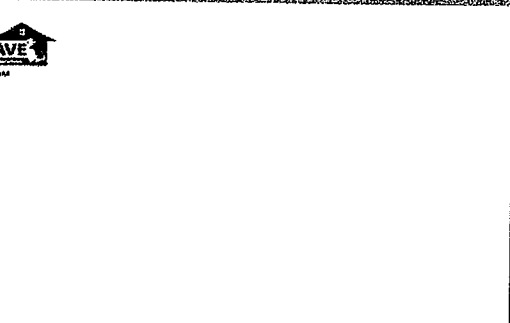
Well Insulation

Air Sealing

Save

MassSAVE
With Energy Efficiency
NRECA-00000000

Take Control of your home's energy use!



Save up to 30% with up to \$1,500 in rebates.

NSTAR Electric is now offering a **0% Annual Percentage Rate** to complete the rebates.

Visit www.mass.gov/nstar for additional information on the **MassSAVE** program.

Cal

Save up to 30% on your energy use all year long.

- Reduce energy expenses by up to 30% all year long
- Increase your home's comfort in all seasons
- Improve air quality and temperature

NSTAR Electric is now offering a **50% rebate, up to \$1,500**, or a **0% Annual Percentage Rate (APR)** loan with a **\$400 rebate** to complete the recommended energy efficiency improvements.

Visit www.masssave.com/nastarelectric to learn more about additional incentives you may be eligible for offered through the MassSAVE program.




NSTAR
ELECTRIC

[illegible]


Call 1-800-632-8300 today!
Find out if you qualify for a no-cost Home Energy Assessment.

Direct Mail



**POSTAGE
PAID
BY
NSTAR GAS**

Will your house be leaking money this winter?



NSTAR can make a world of difference.

NSTAR GAS

MassSAVE

I'd like to learn more about MassSAVE and the Home Energy Assessment available from NSTAR Gas!

Desktop Photo (with area code) _____

Print (optional) _____

Homeowner's Name, Address, City, State, Zip, Phone, E-mail

Homeowner's Name _____

Address _____


City, State, Zip _____

Phone _____

E-mail _____

MassSAVE ... created to save you money through energy conservation.

- A no-cost, on-site Home Energy Assessment
- Direct installation of energy-efficiency measures with major savings potential
- Rebates of 50% off (up to \$1500) for making recommended energy-efficiency improvements



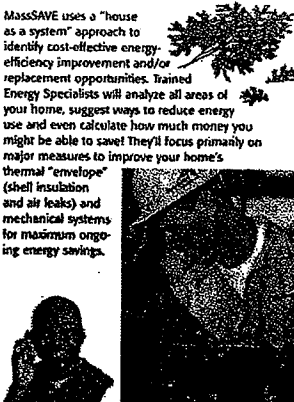
Save up to 30% on home energy all year round!

Key benefits of a MassSAVE Home Energy Assessment provided by NSTAR Gas include:

- Rebates on energy-efficiency measures
- Ongoing energy savings
- Advanced home energy solutions
- Better home performance
- Improved indoor comfort year-round
- Promoting a healthier environment

What is a MassSAVE Home Energy Assessment?

MassSAVE uses a "house as a system" approach to identify cost-effective energy-efficiency improvement and/or replacement opportunities. Trained Energy Specialists will analyze all areas of your home, suggest ways to reduce energy use and even calculate how much money you might be able to save! They'll focus primarily on major measures to improve your home's thermal "envelope" (shell insulation and air leaks) and mechanical systems for maximum ongoing energy savings.



Act NOW - It's Easy!

Call: 1-800-654-5833 OR

Mail: Complete and mail the attached postage-paid reply card

Reply before December 31, 2005!

For more information about MassSAVE, visit: masssave.com

NSTAR GAS

MassSAVE

BUSINESS REPLY MAIL

POSTAGE WILL BE PAID BY ADDRESSEE

HONEYWELL DMC SERVICES

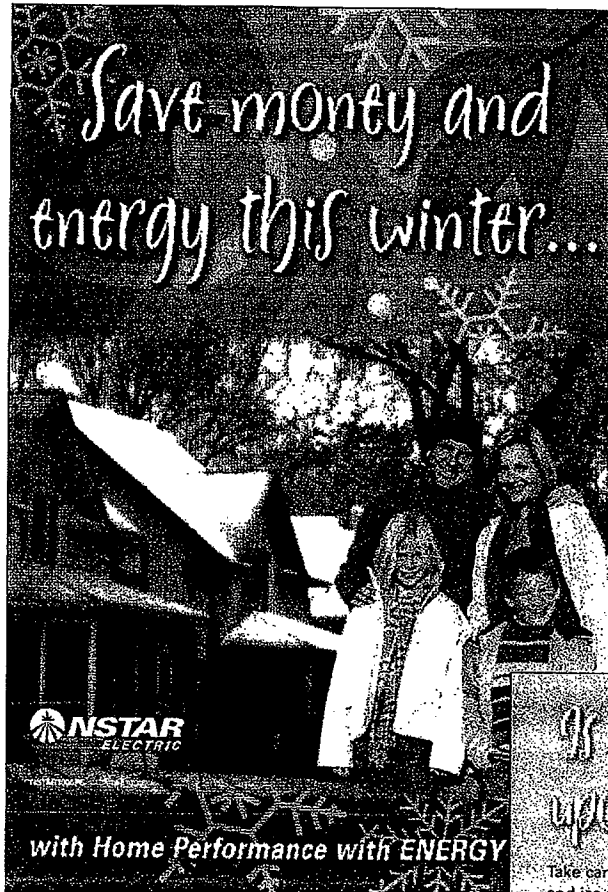
28 MAIN ST. BLDG. B

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UNITED STATES

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IF MAILED
IN THE
UNITED STATES

Direct Mail



Save money and energy this winter...

NSTAR ELECTRIC

with Home Performance with ENERGY

Is your home prepared for the upcoming New England winter?

Take care of those possible drafts, cold spots, and ice dams before they appear. Investing in suggested energy efficiency improvements through NSTAR Electric's Home Performance with ENERGY STAR® initiative could save you up to 30% on your energy use all year long. Your home will be more comfortable, less expensive to operate, and better for the environment.

NSTAR Electric is now offering a **50% rebate up to \$1,500** or a **0% Annual Percentage Rate (APR)** loan with a **\$400 rebate** to complete the recommended energy efficiency improvements.

Visit www.mass-save.com/nstarelectric to learn more about additional incentives you may be eligible for offered through the MassSAVE program.

MassSAVE **ENERGY STAR** **NSTAR ELECTRIC**

Call 1-800-632-8300 today!

Find out if you qualify for a no-cost Home Energy Assessment.

LETTER START

DETAIL START
<fo=N12>

November 8, 2005

<CUST_NAME>
<SUPPL_NAME>
<MAIL_STREET>
<MAILING_TOWN>, <MAILING_STATE> <MAIL_ZIP>

<fo=N12>
RE: <COMPANY_NAME> Account No. <ACCOUNT_NUMBER>
FOR <SRV_ST>, <SRV_TOWN>

Dear Customer,

Thank you for participating in NSTAR's Budget Billing Program.

NSTAR Gas has adjusted Budget Billing amounts to reflect an increase in gas rates as a result of world energy markets and increased natural gas pricing.

The "cost of gas" charge, or commodity price, on your bill is the component on your bill most affected by factors such as recent turbulent weather down south and increased global energy use, among other reasons. We do our best to obtain the best possible pricing for natural gas and, as mandated by state law, NSTAR makes no profit on the "cost of gas" portion of your bill.

Please visit our website, www.nstaronline.com, to obtain information on managing your energy use. There you will find information on Energy Efficiency programs, tips on saving energy, an interactive Home Analyzer tool and Energy Saving Calculators. These online resources can help you learn more about ways to use energy more wisely.

At NSTAR we are committed to serving you well, and it's a commitment we take very seriously.

Regards,

Pamela Conner
Vice President, Customer Care

LETTER END